



wisconsin | humanities | council  
*community through conversation*

To: Members of the Committee on Tourism, Recreation and State Properties  
From: Dean Bakopoulos, Executive Director, Wisconsin Humanities Council  
Date: March 29, 2007  
Re: Assembly Bill 66

I'm sorry that I am not at today's public meeting to share these comments in person; I have meetings with grant applicants in the southwestern corner of the state today.

However, I did want to express my support for Assembly Bill 66 authorizing the Wisconsin Health and Educational Facilities Authority to issue bonds to finance projects related to cultural facilities.

It makes excellent sense to give arts and humanities institutions the same opportunity to obtain tax-exempt bonding that is currently offered to health and educational facilities. Arts and humanities institutions create jobs, enhance tourism, and keep main streets (in towns of all sizes) vital and vibrant; even more importantly, they provide community gathering places where the ideas and values of our culture are celebrated, explored and discussed. These shared experiences and conversations are essential to a healthy, vibrant civic life.

While federal and state funding for the humanities is stagnant or shrinking (i.e. only seven-percent of the \$1 million WHC budget comes from state dollars, one of the lowest levels of state funding in the nation), tax-exempt bonding is one way to support this very important part of our civic infrastructure without adding more items to the state's tight budget.

Please feel free to contact me if you would like to discuss this proposal further. I can be reached at 608.265.5594 or via e-mail at [ccbakopoulos@wisc.edu](mailto:ccbakopoulos@wisc.edu).

DB

March 29, 2007

The Honorable Steve Wieckert  
P.O. Box 8953  
Madison, WI 53708-8953



Representative Wieckert:

On behalf of the members and the board of I am writing in support of Assembly Bill #66 authorizing the Wisconsin Health and Educational Facilities Authority to issue bonds to finance cultural facilities.

As a significant cultural property and resource for the community, Bergstrom-Mahler Museum, provides an educational service to the community as a whole and serves as a significant archival resource for its glass paperweight collection internationally. Your proposed amended bill recognizes the important educational opportunities cultural organizations provide.

As amended the bill will enable nonprofit arts and cultural organizations to pursue capital facilities projects and re-financing at affordable rates. This bill places cultural facilities at parity with education and health care projects. Studies by Americans for the Arts, Arts Wisconsin and the Wisconsin Department of Tourism demonstrate that arts and culture provide significant economic impact to the state.

The timing for museum and cultural facility visibility could not be better. Efforts at the federal level by the Institute of Museums and Library Services, the American Association of State and Local History, as well as the American Association of Museums and the Association of Midwest Museums, are all working to support the Federal Grant Formula Coalition.

Current efforts in cultural tourism, as well as emphasis on "the Creative Economy" suggest that cultural facilities have a major role in the substantiating and sustaining the quality of life in a region, in our case, North East Wisconsin is a vital destination and rapidly developing part of the state with many museums within a small radius.

Clearly it is in the best interests of the state of Wisconsin to keep our creative talent here. Cultural facilities are a powerful way to help achieve a workforce for our new economy and fill the educational gap for schools and educational institutions that have found it necessary to make cutbacks in their programs. Museums and cultural facilities provide an extended classroom with actual objects as points of departure.

I thank you for your forethought in sponsoring this bill that has the potential to provide low cost funding for building initiatives.

Sincerely,

Jan Smith  
Executive Director  
Bergstrom Mahler Museum  
Neenah, WI

**BERGSTROM - MAHLER MUSEUM**

[www.paperweightmuseum.com](http://www.paperweightmuseum.com)



Cultural Alliance of  
Greater Milwaukee

310 E. Buffalo St.  
Milwaukee, WI 53202  
414.347.0131

February 27, 2007

The Honorable Steve Wiecek  
P.O. Box 8953  
Madison, WI 53708-8953

Representative Wiecek,

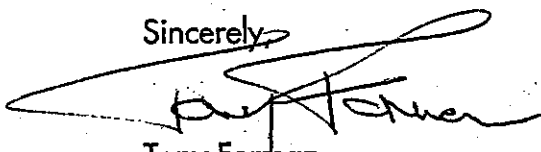
On behalf of the members and the board of the Cultural Alliance of Greater Milwaukee I am writing in support of Assembly Bill #66 authorizing the Wisconsin Health and Educational Facilities Authority to issue bonds to finance cultural facilities.

As the organization unifying the cultural industry of southeast Wisconsin, The Cultural Alliance of Greater Milwaukee endorses this amended legislation. As amended the bill will enable nonprofit arts and cultural organizations to pursue capital facilities projects and re-financing at affordable rates. This bill places cultural facilities at parity with education and health care projects. Studies by Americans for the Arts, and our own research, demonstrate that arts and culture provide significant economic impact to the state. In 2004 nonprofit arts organizations and their audiences had expenditures of over \$166.5 million a year in Milwaukee alone<sup>1</sup>. This spring new figures will be released that will show a significant increase in the economic impact of the nonprofit arts industry.

Richard Florida in his book *The Rise of the Creative Class* makes a case for the far reaching impact that arts and cultural facilities have on their communities. Beyond immediate economic impact, communities that have invested in cultural facilities find that they attract and retain younger, creative and innovative employees. Clearly it is in the best interests of the state of Wisconsin to keep our creative talent here. Cultural facilities are a powerful way to help achieve a workforce for our new economy.

Thank you for sponsoring this legislation to provide low cost quality financing for the very institutions that provide the high quality of life we have come to expect in Wisconsin.

Sincerely,



Tony Forman  
Executive Director





Governor  
**James E. Doyle**

March 28, 2007

**BOARD MEMBERS**

Board Chairperson  
**Lt. Governor Barbara Lawton**  
Madison

Vice-Chairperson  
**Linda L. Ware**  
Wausau

Secretary  
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Green Bay

**Bruce Bernberg**  
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**Ferne Caulker**  
Glendale

**Linda L. Grunau**  
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**Jerry Hembl**  
Superior

**Gerald Kember**  
La Crosse

**Helen R. Klebesadel**  
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**Barbara E. Munson**  
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Madison

**Michael Reyes**  
Glendale

**Sharon Stewart**  
Washburn

**Robert A. Wagner**  
Milwaukee

**Matt Wabl**  
Eau Claire

Executive Director  
**George Tzougros**

State Representative Dean Kaufert, Chairperson  
Assembly Committee on Tourism, Recreation and State Properties  
Room 15 North  
State Capitol

Dear Chairperson Kaufert:

On behalf of the Wisconsin Arts Board, I want to register our support of Assembly Bill 66. This bill will allow the Wisconsin Health and Educational Facilities Authority (WHEFA) to issue bonds to finance projects or refinance debt undertaken by cultural institutions for cultural facilities. This will be an important development tool for cultural institutions across our state.

The number and quality of Wisconsin's cultural facilities has grown over the past number of years. Citizens from communities large and small have raised private money to support the cultural institutions they value. AB 66 would allow an important new source of funding for these.

Such a program is not unprecedented. Bonding programs for cultural facilities have been established or are being discussed in states such as Colorado, Connecticut, Maine, Massachusetts, Minnesota, Montana, and Ohio.

Through this bill the WHEFA will be making an additional investment in the health and education of communities throughout our state. The arts are part of healthy Wisconsin communities in our rural areas and urban centers. They are engines of community and economic development. They also play an integral role in education, in our K-12 schools and in the lifelong learning of our citizens.

We thank you and the Committee for taking up Assembly Bill 66 and Representative Steve Wieckert for his important work on this issue. I look forward to the Committee's favorable determination on this bill.

Sincerely,

George T. Tzougros  
Executive Director

PHONE (608) 266-0190

FAX (608) 267-0380

TDD (608) 267-9629

artsboard@arts.state.wi.us

www.arts.state.wi.us

First Floor, 101 East Wilson Street, Madison, Wisconsin 53702





400 WEST COLLEGE AVENUE  
APPLETON WISCONSIN 54911  
www.FoxCitiesPAC.com

28 November 2006

The Honorable Steve Wieckert  
P.O. Box 8953  
Madison  
WI 53708-8953

Dear Steve,

Please accept this letter as an enthusiastic and strong voice of support for LRB-0708.

This legislation, if enacted, would be very beneficial to the growing cultural economy in Wisconsin and in large measure offer cultural institutions a needed stimulus and opportunity to drive their local economic impact further.

As the state continues to build upon the positive gains achieved in our "creative industries" and their multiple impact on the economy of Wisconsin by attracting and retaining businesses and top leadership executives; enhancing the quality of life for all segments of our population; and increasing the revenue stream from this nonprofit sector of activity in Wisconsin, this bill will provide the necessary basis for future growth without cost to the operating budget of the state.

This legislation will have a statewide benefit and know no boundaries in its impact for all citizens of Wisconsin. Every best wish for the success of this bill and thank you for championing it during the 2007-2008 legislative session.

Sincerely,

Susan Stockton, president  
Fox Cities Performing Arts Center

# **Testimony of State Representative Steve Wieckert**

## **Assembly Bill 66 – WHEFA Cultural Facilities** *Assembly Committee on Tourism, Recreation, & State Properties* *300 Northeast – March 29, 2007*

Good morning chairman Dean Kaufert and committee members. Thank you for the opportunity to come before you today to discuss Assembly Bill 66, which would help to support museums, art centers, and other cultural facilities in Wisconsin.

This legislation would allow cultural centers, museums, and other similar facilities to receive a federal tax exemption on bonding for capital projects. Wisconsin would not be financially responsible for these bonds.

We can continue to support and advance the interests of the arts and humanities in Wisconsin, even in challenging economic times and tight budgets. Wisconsin would not lose any revenue as a result of this bill, because this is a federal tax exemption.

This initiative will help promote the arts and cultural activities in Wisconsin. It will add to our quality of life and help encourage economic growth and development, as well as be an asset to our tourism industry.

These arts-based businesses play an important role in building and sustaining economic vibrancy. They employ people, spend money locally, and are a cornerstone of tourism in Wisconsin. There are currently about 8,892 arts-related businesses in Wisconsin that employ 43,559 people.

This legislation passed the Assembly in previous sessions by a large margin, however the session ended before the State Senate could fully consider the bill.

This legislation is supported by the Wisconsin Health & Educational Facilities Authority (WHEFA), the Wisconsin Society of Architects, the Fox Cities Performing Arts Center, and the Cultural Alliance of Greater Milwaukee.

Thank you for your consideration. At this time I would be happy to answer any questions of the committee.

Wisconsin Health and Educational Facilities Authority  
18000 West Sarah Lane, Suite 300  
Brookfield, Wisconsin 53045-5841  
Phone (262) 792-0466 Fax (262) 792-0649

LAWRENCE R. NINES  
EXECUTIVE DIRECTOR

November 21, 2006

Scott Becher  
Office of Rep. Steve Wieckert  
P.O. Box 8953  
Madison, WI 53703

Re: LRB 0708 and LRB 0703

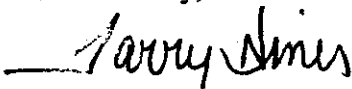
Dear Scott:

I understand that your office is interested in reintroducing legislation to make tax-exempt cultural facilities eligible for financing through WHEFA (LRB 0708) and bonds issued by WHEFA for education purposes exempt from state tax (LRB 0703).

WHEFA supports both initiatives and hopes for successful legislative consideration. Additional support for the cultural facilities legislation can be obtained from Tony Forman, Executive Director of the Cultural Alliance of Greater Milwaukee at (414) 247-0131 or [tforman@culturalalliancemke.org](mailto:tforman@culturalalliancemke.org).

If we can help in any way please let me know.

Sincerely,



Larry Nines  
Executive Director

## MISSION STATEMENT

The Wisconsin Health & Educational Facilities Authority actively assists all eligible Wisconsin health care and educational institutions to obtain and maintain access to the broadest range of low cost, private capital market financing possible.

## VISION STATEMENT

WHEFA will continue to be an organization that prides itself on being an ally to borrowers representing tax-exempt health and educational organizations. WHEFA fulfills its mission by providing prompt and customer-friendly services and effective two-way communications with borrowers, lenders, government, legislators, the public, trade associations and financing team participants.

An important part of WHEFA's future "vision" is its role as a "thought leader" – an organization that is knowledgeable and reacts to the changing healthcare and educational needs of Wisconsin's citizens by researching trends and issues that affect the industries served and offering innovative approaches to securing the capital to meet those needs. This includes serving as an educational conduit and clearinghouse for information relevant to borrowers, lenders, government, legislators, the public, trade associations and financing team participants; and, when necessary, serving as an advocate for legislative change to help ensure that its statutory authority is consistent with contemporary financing needs (by authorizing new financing models, new uses of borrowed funds and new tax-exempt borrowers).

WHEFA's ability to achieve its vision is dependent upon its commitment to effective Board leadership and operational excellence. These characteristics are exemplified by strong Board oversight of operations; the use of performance indicators to ensure that strategic objectives are being met (or exceeded); a Board that is well-informed about the industries served and that stays abreast of financing needs; and policies that provide for the recruitment and retention of high-quality, experienced staff to implement WHEFA's programs and services.

## WHEFA MEMBERS

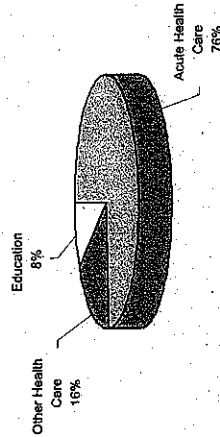
John A. Noreika, *Chairperson*  
Tim Sizé, *Vice-Chairperson*  
Linda C. Bruce  
Toult M. Calaway  
Bruce Colburn  
Beth L. Gillis, MD  
Ken Thompson

## WHEFA STAFF

Lawrence R. Nines, *Executive Director*  
Dennis P. Reilly, *Associate Executive Director*  
Tanya L. Wilson, *Operations & Finance Analyst*  
Stephanie L. Schirripa, *Administrative Assistant*

## WHEFA ACTIVITY

(TOTAL DOLLARS ISSUED – as of 06/30/07)



18000 West Sarah Lane,  
Suite 300  
Brookfield, WI 53045-5841  
(262) 792-0466 Phone  
(262) 792-0649 Fax  
info@whefa.com E-Mail  
www.whefa.com Web Site

# WISCONSIN HEALTH AND EDUCATIONAL FACILITIES AUTHORITY





## WHEFA

WHEFA has been providing active capital financing assistance to Wisconsin non-profit healthcare institutions since 1979. WHEFA's

statute has been subsequently expanded to include the issuance of bonds for the benefit of independent colleges and universities, independent K-12 schools, continuing care facilities and health education centers.

WHEFA staff assists healthcare and educational institutions in analyzing financing alternatives and in structuring revenue bond issues to meet their needs. Funds for each project are obtained through the sale of revenue bonds of WHEFA. Bonds are sold to institutional lenders in "direct placement" transactions and to individual and institutional investors in "public offerings". Bond sale proceeds are loaned by WHEFA to the borrowing institution or project sponsor. Additional benefits and economies are gained when WHEFA does system financings, pooled loan programs, or structured financing programs which are utilized by multiple borrowers.

The credit supporting any WHEFA bond issue is the credit of the borrowing institutions involved. The availability of financing depends in each case upon the credit-worthiness of those institutions. WHEFA bonds are not a debt, liability, or "moral" obligation of the State of Wisconsin. In most cases, interest paid on WHEFA bonds is exempt from federal income taxation, resulting in materially lower financing costs to the borrowing institution. Interest on bonds issued by WHEFA is not exempt from present Wisconsin income taxation.

## THE BENEFITS OF A WHEFA FINANCING

WHEFA staff assists healthcare and educational institutions in a variety of different ways, which may include:

- Providing front end analysis and advice when borrowers are deciding among financing alternatives and credit enhancements.
- Imparting the knowledge and experiences from one transaction to another.
- Employing high quality professionals, thereby standardizing work at a high level.
- Confirming interest rates negotiated are appropriate.
- Expediting the financing process.
- Verifying that costs of issuance are appropriate.
- Having the ability to issue one series of bonds for multiple locations (including contiguous states).
- Providing educational assistance through newsletters and conferences.
- Offering assistance in the determination of eligibility for tax-exempt financing.
- Developing unique financing alternatives.
- Advocating for the continuation and improvement of the tax-exempt financing process.
- Maintaining professional competence through membership in the National Association of Health & Educational Facilities Finance Authorities (NAHEFFA).

## WHEFA ACTIVITY

During its fiscal year ending June 30, 2007, WHEFA successfully completed 27 financings totaling \$1,267,420,000. Forty-six percent of the bonds issued were used to refinance outstanding debt, thus substantially reducing debt service costs. Three borrowers used WHEFA for the first time. As of January 1, 2008, WHEFA has participated in 566 bond issues totaling \$12.43 billion over its 29-year history.

## RECENT WHEFA FINANCINGS

WHEFA has successfully completed a number of financings during fiscal year 2008. Some recent activity includes:

- Beloit College, Beloit  
New Money & Refinancing - \$56,255,000
- Milwaukee Regional Medical Center, Wauwatosa  
New Money - \$13,000,000
- Fort Healthcare, Fort Atkinson  
New Money & Refinancing - \$26,000,000
- Community Care, Milwaukee  
New Money - \$5,000,000
- All Saints Assisted Living, Madison  
New Money - \$8,400,000

## **WHEFA Supports the Assembly Bill 66**

WHEFA supports the adoption of Assembly Bill 66, a bill to make Wisconsin's tax exempt cultural facilities eligible for financing through the Wisconsin Health & Educational Facilities Authority.

WHEFA has been providing active capital financing assistance to Wisconsin tax-exempt healthcare institutions since 1979. Our statute was subsequently expanded in 1987 to include the issuance of bonds for the benefit of independent colleges and universities. In December 2003, Act 109 was signed which now permits our state's private K-12 schools to utilize WHEFA services.

The Authority staff assists eligible healthcare and educational institutions in analyzing financing alternatives and in structuring revenue bond issues to meet their capital needs. Bonds are sold to institutional and individual investors in the private capital markets. No public funds are employed.

The credit supporting any Authority bond issue is the credit of the borrowing institution. There is no guarantee or moral obligation extended by either WHEFA or the State of Wisconsin.

Interest paid on WHEFA bonds is exempt from federal income taxation, which results in borrowing costs that are 60 to 70 percent of conventional financing alternatives. Interest paid on WHEFA bonds is not exempt from present Wisconsin income taxation.

WHEFA receives no state funding for either its operations or lending programs. WHEFA expenses are paid for by a nominal fee assessed on borrowers utilizing our programs and services.

Bond issuance by WHEFA does not affect the bonding authority, caps or limits of any other state issuer.

Several of our nation's states including Illinois, Colorado, Louisiana, Massachusetts and Oregon now authorize a state level issuer like WHEFA to assist cultural facilities in meeting their capital project bonding needs. Projects financed in other states have included museums, aquariums, zoo's, theaters, public radio and historical societies.

Annually, WHEFA completes between 20 and 30 financings. Approval of this legislation could add two or three financings per annum.

If approved, the WHEFA staff would look forward to helping meet the capital needs of Wisconsin's cultural facilities. We urge committee approval of this important legislation.

# **Testimony of State Representative Steve Wieckert**

## **Assembly Bill 66 – WHEFA Cultural Facilities** *Senate Committee on Agriculture and Higher Education*

**411 South – January 9, 2008**

Good morning chairwoman Kathleen Vinehout and committee members. Thank you for the opportunity to come before you today to discuss Assembly Bill 66, which would help to support museums, art centers, and other cultural facilities in Wisconsin.

This legislation would allow cultural centers, museums, and other similar facilities to receive a federal tax exemption on bonding for capital projects. Wisconsin would not be financially responsible for these bonds.

We can continue to support and advance the interests of the arts and humanities in Wisconsin, even in challenging economic times and tight budgets. Wisconsin would not lose any revenue as a result of this bill, because this is a federal tax exemption.

This initiative will help promote the arts and cultural activities in Wisconsin. It will add to our quality of life and help encourage economic growth and development, as well as be an asset to our tourism industry.

These arts-based businesses play an important role in building and sustaining economic vibrancy. They employ people, spend money locally, and are a cornerstone of tourism in Wisconsin. There are currently about 8,892 arts-related businesses in Wisconsin that employ 43,559 people.

This legislation passed the Assembly in previous sessions by a large margin, however the session ended before the State Senate could fully consider the bill.

This legislation is supported by:

- Wisconsin Health & Educational Facilities Authority (WHEFA)
- Wisconsin Society of Architects
- Wisconsin Arts Board
- Wisconsin Humanities Council
- Arts Wisconsin

- Madison Children's Museum
- Bergstrom Mahler Museum
- Fox Cities Performing Arts Center
- Cultural Alliance of Greater Milwaukee
- The City of Madison

Thank you for your consideration. At this time I would be happy to answer any questions of the committee.

Wisconsin Health and Educational Facilities Authority  
18000 West Sarah Lane, Suite 300  
Brookfield, Wisconsin 53045-5841  
Phone (262) 792-0466 Fax (262) 792-0649

LAWRENCE R. NINES  
EXECUTIVE DIRECTOR

November 21, 2006

Scott Becher  
Office of Rep. Steve Wieckert  
P.O. Box 8953  
Madison, WI 53703

Re: LRB 0708 and LRB 0703

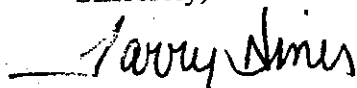
Dear Scott:

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WHEFA supports both initiatives and hopes for successful legislative consideration. Additional support for the cultural facilities legislation can be obtained from Tony Forman, Executive Director of the Cultural Alliance of Greater Milwaukee at (414) 247-0131 or [tforman@culturalalliancemke.org](mailto:tforman@culturalalliancemke.org).

If we can help in any way please let me know.

Sincerely,



Larry Nines  
Executive Director



Governor  
**James E. Doyle**

March 28, 2007

**BOARD MEMBERS**

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**Lt. Governor Barbara Lawton**  
Madison

Vice-Chairperson  
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Secretary  
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**Bruce Bernberg**  
Racine

**Ferne Caulker**  
Glendale

**Linda L. Grunau**  
Elm Grove

**Jerry Hembd**  
Superior

**Gerald Kember**  
La Crosse

**Helen R. Klebesadel**  
Madison

**Barbara E. Munson**  
Mosinee

**Glenda P. Noel-Ney**  
Madison

**Michael Reyes**  
Glendale

**Sbaron Stewart**  
Washburn

**Robert A. Wagner**  
Milwaukee

**Matt Wabl**  
Eau Claire

Executive Director  
**George Tzougros**

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artsboard@arts.state.wi.us

www.arts.state.wi.us

State Representative Dean Kaufert, Chairperson  
Assembly Committee on Tourism, Recreation and State Properties  
Room 15 North  
State Capitol

Dear Chairperson Kaufert:

On behalf of the Wisconsin Arts Board, I want to register our support of Assembly Bill 66. This bill will allow the Wisconsin Health and Educational Facilities Authority (WHEFA) to issue bonds to finance projects or refinance debt undertaken by cultural institutions for cultural facilities. This will be an important development tool for cultural institutions across our state.

The number and quality of Wisconsin's cultural facilities has grown over the past number of years. Citizens from communities large and small have raised private money to support the cultural institutions they value. AB 66 would allow an important new source of funding for these.

Such a program is not unprecedented. Bonding programs for cultural facilities have been established or are being discussed in states such as Colorado, Connecticut, Maine, Massachusetts, Minnesota, Montana, and Ohio.

Through this bill the WHEFA will be making an additional investment in the health and education of communities throughout our state. The arts are part of healthy Wisconsin communities in our rural areas and urban centers. They are engines of community and economic development. They also play an integral role in education, in our K-12 schools and in the lifelong learning of our citizens.

We thank you and the Committee for taking up Assembly Bill 66 and Representative Steve Wieckert for his important work on this issue. I look forward to the Committee's favorable determination on this bill.

Sincerely,

George T. Tzougros  
Executive Director

First Floor, 101 East Wilson Street, Madison, Wisconsin 53702





wisconsin | humanities | council  
*community through conversation*

To: Members of the Committee on Tourism, Recreation and State Properties  
From: Dean Bakopoulos, Executive Director, Wisconsin Humanities Council  
Date: March 29, 2007  
Re: Assembly Bill 66

I'm sorry that I am not at today's public meeting to share these comments in person; I have meetings with grant applicants in the southwestern corner of the state today.

However, I did want to express my support for Assembly Bill 66 authorizing the Wisconsin Health and Educational Facilities Authority to issue bonds to finance projects related to cultural facilities.

It makes excellent sense to give arts and humanities institutions the same opportunity to obtain tax-exempt bonding that is currently offered to health and educational facilities. Arts and humanities institutions create jobs, enhance tourism, and keep main streets (in towns of all sizes) vital and vibrant; even more importantly, they provide community gathering places where the ideas and values of our culture are celebrated, explored and discussed. These shared experiences and conversations are essential to a healthy, vibrant civic life.

While federal and state funding for the humanities is stagnant or shrinking (i.e. only seven-percent of the \$1 million WHC budget comes from state dollars, one of the lowest levels of state funding in the nation), tax-exempt bonding is one way to support this very important part of our civic infrastructure without adding more items to the state's tight budget.

Please feel free to contact me if you would like to discuss this proposal further. I can be reached at 608.265.5594 or via e-mail at [ccbakopoulos@wisc.edu](mailto:ccbakopoulos@wisc.edu).

DB



ARTS WISCONSIN

everyone everywhere.

April 1, 2007

Rep. Steve Wieckert  
Wisconsin State Assembly  
Box 8953  
Madison, Wisconsin 53707

Dear Rep. Wieckert,

I am writing in enthusiastic support of AB 66, which asks the Wisconsin Health and Educational Facilities Authority to issue bonds to finance any project undertaken by a cultural institution for a cultural facility, or to refinance such a facility's outstanding debt.


From New England to New Zealand, public and private investment in culture, creativity and innovation is being acknowledged as essential to education, business incubation, attraction and retention plans, tourism opportunities, and community engagement.

In this environment, Wisconsin and all of its communities are seeking new ways to succeed in a world that is changing faster than ever before. Because of technological advances, speed of communications, growth of information and the rapid changes of the last decades, the need for creativity is now fundamental to devising new products, services, technologies, business models, and ways of earning a living.

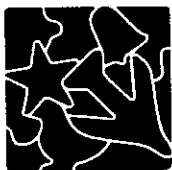
Arts Wisconsin is the state's arts service, advocacy and development organization, and as such, we have an important perspective on what's happening in the arts across the state. We believe, and we know, that the arts are essential to Wisconsin's future economic, educational and civic success. This bill will help Wisconsin realize its potential by intentionally addressing the state's participation in the Creative Economy, as communities around the state look to provide more opportunities for people to live, work and play.

Many thanks for your steadfast support of the arts in the Fox Valley and across Wisconsin, and thank you for championing this bill to help Wisconsin's arts industry thrive.

Sincerely,

  
Anne Katz, Executive Director  
Arts Wisconsin





**Madison  
Children's  
Museum**

**Board of Directors:** David M. Kettner, **Chair**; Eliot Butler, **Vice-Chair**; Deborah Still, **Secretary**; Darrell Stroud, **Treasurer**;  
Tim Kritter, **Officer at Large**; Anne Rodriguez, **Officer at Large**; Shane Brunner; Rafael Carbonell; Sarah Carpenter;  
Mary Carr Lee; Kristen Cogswell; Stan Davis; Jan DeAtley; Jane Doughty; Jeff Hausmann;  
Amy Hegenbarth; Lynn Hobbie; Nicholas Jackson; Melanie Lee; Griff Madigan;  
Amy Nickles; Tyler Noel; Denes Tobie; Catherine Zdeblick  
Ruth G. Shelly, **Executive Director**

March 28, 2007

Representative Steve Wieckert  
Wisconsin State Capitol  
Room 18 West  
P.O. Box 8953  
Madison, WI 53708-8953

Dear Representative Wieckert:

On behalf of Madison Children's Museum, I am writing in support of LRB 0708 to extend the ability of the Wisconsin Health and Educational Facilities Authority (WHEFA) to issue bonds to finance certain capital projects for museums and cultural arts and learning centers in Wisconsin.

Across the nation, various state entities traditionally charged with approving the issuance of tax-exempt bonds in support of hospitals and institutions of higher education have been allowed, without incidence, to include cultural arts institutions, private high schools, and other nonprofits that serve the public good and improve the quality of life in their communities. With no risk to the state, this extension of bonding authority allows established nonprofits the opportunity to take advantage of tax-exempt bond financing and allows investors the opportunity to indirectly help the nonprofit organization save on its capital financing costs.

Federal law allows tax-exempt bonds to finance capital expenditures, including land, acquisition, construction and capital equipment, provided they are used to further the IRS-approved nonprofit's mission. The bonding authority partners with these nonprofit organizations that add important value to the community by helping create more vibrant and livable cities. At a time when nonprofits must go to their supporters for increased funding, and when local governments are cutting funding for projects and services, access to below-market interest rates is a financing option attractive to both the nonprofit and to investors with no financial loss to local or state revenues.

The lower interest rates of tax-exempt bonds provide real savings to the nonprofit and encourage investors to buy lower interest rate bonds since the interest paid on these bonds is exempt at the federal level (and usually at the state level). Other important advantages to this financing option that a nonprofit may want to avail it of that include longer amortization periods and less restrictive covenants, as opposed to those associated with traditional taxable debt financing options.

This legislation simply allows WHEFA to invite a broader array of cultural arts and learning institutions to consider tax-exempt financing as one among many debt vehicles that may work for them in fulfilling their mission. We encourage passage of this legislation as a way to support and encourage the nonprofit community in its vital role of building up communities across the State of Wisconsin.

Sincerely,

Ruth G. Shelly  
Executive Director

100 State Street  
Madison, WI 53703  
(608) 256-6445  
fax (608) 268-1398

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March 29, 2007

The Honorable Steve Wieckert  
P.O. Box 8953  
Madison, WI 53708-8953



Representative Wieckert:

On behalf of the members and the board of I am writing in support of Assembly Bill #66 authorizing the Wisconsin Health and Educational Facilities Authority to issue bonds to finance cultural facilities.

As a significant cultural property and resource for the community, Bergstrom-Mahler Museum, provides an educational service to the community as a whole and serves as a significant archival resource for its glass paperweight collection internationally. Your proposed amended bill recognizes the important educational opportunities cultural organizations provide.

As amended the bill will enable nonprofit arts and cultural organizations to pursue capital facilities projects and re-financing at affordable rates. This bill places cultural facilities at parity with education and health care projects. Studies by Americans for the Arts, Arts Wisconsin and the Wisconsin Department of Tourism demonstrate that arts and culture provide significant economic impact to the state.

The timing for museum and cultural facility visibility could not be better. Efforts at the federal level by the Institute of Museums and Library Services, the American Association of State and Local History, as well as the American Association of Museums and the Association of Midwest Museums, are all working to support the Federal Grant Formula Coalition.

Current efforts in cultural tourism, as well as emphasis on "the Creative Economy" suggest that cultural facilities have a major role in the substantiating and sustaining the quality of life in a region, in our case, North East Wisconsin is a vital destination and rapidly developing part of the state with many museums within a small radius.

Clearly it is in the best interests of the state of Wisconsin to keep our creative talent here. Cultural facilities are a powerful way to help achieve a workforce for our new economy and fill the educational gap for schools and educational institutions that have found it necessary to make cutbacks in their programs. Museums and cultural facilities provide an extended classroom with actual objects as points of departure.

I thank you for your forethought in sponsoring this bill that has the potential to provide low cost funding for building initiatives.

Sincerely,

Jan Smith  
Executive Director  
Bergstrom Mahler Museum  
Neenah, WI

**BERGSTROM - MAHLER MUSEUM**

[www.paperweightmuseum.com](http://www.paperweightmuseum.com)



28 November 2006

The Honorable Steve Wiecek  
P.O. Box 8953  
Madison  
WI 53708-8953

Dear Steve,

Please accept this letter as an enthusiastic and strong voice of support for LRB-0708.

This legislation, if enacted, would be very beneficial to the growing cultural economy in Wisconsin and in large measure offer cultural institutions a needed stimulus and opportunity to drive their local economic impact further.

As the state continues to build upon the positive gains achieved in our "creative industries" and their multiple impact on the economy of Wisconsin by attracting and retaining businesses and top leadership executives; enhancing the quality of life for all segments of our population; and increasing the revenue stream from this nonprofit sector of activity in Wisconsin, this bill will provide the necessary basis for future growth without cost to the operating budget of the state.

This legislation will have a statewide benefit and know no boundaries in its impact for all citizens of Wisconsin. Every best wish for the success of this bill and thank you for championing it during the 2007-2008 legislative session.

Sincerely,

Susan Stockton, president  
Fox Cities Performing Arts Center



Cultural Alliance of  
Greater Milwaukee

310 E. Buffalo St.  
Milwaukee, WI 53202  
414.347.0131

February 27, 2007

The Honorable Steve Wieckert  
P.O. Box 8953  
Madison, WI 53708-8953

Representative Wieckert,

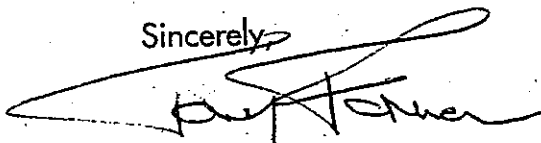
On behalf of the members and the board of the Cultural Alliance of Greater Milwaukee I am writing in support of Assembly Bill #66 authorizing the Wisconsin Health and Educational Facilities Authority to issue bonds to finance cultural facilities.

As the organization unifying the cultural industry of southeast Wisconsin, The Cultural Alliance of Greater Milwaukee endorses this amended legislation. As amended the bill will enable nonprofit arts and cultural organizations to pursue capital facilities projects and re-financing at affordable rates. This bill places cultural facilities at parity with education and health care projects. Studies by Americans for the Arts, and our own research, demonstrate that arts and culture provide significant economic impact to the state. In 2004 nonprofit arts organizations and their audiences had expenditures of over \$166.5 million a year in Milwaukee alone<sup>1</sup>. This spring new figures will be released that will show a significant increase in the economic impact of the nonprofit arts industry.

Richard Florida in his book *The Rise of the Creative Class* makes a case for the far reaching impact that arts and cultural facilities have on their communities. Beyond immediate economic impact, communities that have invested in cultural facilities find that they attract and retain younger, creative and innovative employees. Clearly it is in the best interests of the state of Wisconsin to keep our creative talent here. Cultural facilities are a powerful way to help achieve a workforce for our new economy.

Thank you for sponsoring this legislation to provide low cost quality financing for the very institutions that provide the high quality of life we have come to expect in Wisconsin.

Sincerely,



Tony Forman  
Executive Director



## Testimony in support of Assembly Bill 66

Relating to: authorizing the Wisconsin Health and Educational Facilities Authority to issue bonds to finance projects related to cultural facilities.

Anne Katz | Executive Director | Arts Wisconsin | 608 255 8316|akatz@artswisconsin.org| www.artswisconsin.org

I am Director of Arts Wisconsin, the state's arts service, advocacy and development organization. We represent and serve the thousands of artists and arts organizations in Wisconsin that make the arts happen to their communities. It's critical to have legislation such as this to help strengthen Wisconsin's economy, educational systems and communities through the arts, culture, creativity and innovation.

The arts in Wisconsin generate jobs, create economic stimulus, attract businesses, improve education, drive tourism, and enhance our quality of life. Our vibrant arts community makes us a strong recruiting draw in a tough economy and sets us apart from other states.

The global shift to a knowledge-based creative economy demands new strategies for the public and private sectors to compete successfully. The role of business, government and the nonprofit sector in providing the infrastructure necessary for growth today goes beyond traditional definitions to include a healthy arts and culture industry to animate regional economic development.

The Council on Competitiveness has recognized that "from an economic development perspective, many communities are still pursuing the old, incentive-based strategies. These don't work in a world in which firm success depends ever more on the quality of ideas and talent, and ever less on traditional infrastructure. In a knowledge-based economy, new strategies are required to support the prosperity of American workers."

Reliance, then, on traditional tax incentives to attract, retain, and expand business and industry no longer works as a central investment strategy. In the new creative economy, the emphasis has shifted to the attraction, retention, and expansion of human talent and creativity. And educated and trained workers, bright innovators and entrepreneurs all look to live in communities with strong cultural centers, places where diverse populations are welcome.

A first-level strategy is to support artistic, cultural, and entertainment activities and occupations - essential "fuel" for other existing and expanding economic activities in a community. A pivotal 2007 national study on regional development establishes the strong symbiotic relationship between occupations in the artistic and entertainment realms and regional labor productivity: "Our findings indicate that these occupations are not just consumers of regional resources; they are producers of them as well."

Cultural assets in a community are essential to foster a robust arts education program for all ages that develops creative capacity in the workforce. These assets are at once the magnetic force that attracts creative workers and entrepreneurial types, and the sustenance that allows them to thrive. Without a strong arts and cultural presence, a community cannot breed its own creative talent nor attract it. And that talent is essential to innovative and competitive commerce in urban and rural areas alike.

Although there are many challenges facing the arts in Wisconsin, there is growing understanding among public and private agencies and decision-makers that involvement and investment in the creative economy is essential to Wisconsin's future. **Now is the time to strengthen the arts in Wisconsin, so Wisconsin can lead in the 21<sup>st</sup> century economy. Assembly Bill 66 is an important way to make that happen. Thank you for your support of this bill, and of arts, culture, creativity and innovation in your districts and across the state.**

Non-profit arts  
organizations and  
their audiences in  
Wisconsin generate

**\$418 Million**

in economic activity

There are

**43,559**

full time jobs  
(for-profit and non-  
profit) in Wisconsin's  
creative sector